Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Promoting Telehealth in Rural America	)	WC Docket No. 17-310
	)	

COMMENTS OF ADTRAN, INC.

ADTRAN, Inc. ("ADTRAN") files these comments addressing some of the issues in the Commission's proposal to refine the Commission's Rural Health Care ("RHC") subsidy program.[1] Robust broadband is critical to providing health care, particularly in rural areas. The Commission's RHC Program is designed to address the lagging deployment and adoption of broadband by health care providers in rural America. The *RHC NPRM* was triggered by the problem that has arisen in the last two years of demand for RHC Program support exceeding the funding available under that program. The Commission in the *RHC NPRM* proposes measured steps to ensure that the RHC Program operates efficiently, and to determine whether to change the current $400 Million funding cap for the program.

As explained below, ADTRAN agrees that broadband services for rural health care providers are critical, given the development of telehealth technologies. But the higher costs of deploying broadband technologies in rural areas often necessitate subsidies to make such services affordable. ADTRAN thus supports the Commission's efforts to reform the RHC Program to ensure adequate funding, while also taking steps to do so in the most cost effective manner possible by eliminating waste, fraud, abuse and unnecessary regulatory obstacles.

---

[1] *Promoting Telehealth in Rural America*, WC Docket No. 17-310, FCC 17-164, released December 18, 2017, 83 Fed Reg 303 (January 3, 2018) (hereafter cited as "*RHC NPRM*").

ADTRAN, founded in 1986 and headquartered in Huntsville, Alabama, is a leading global provider of networking and communications equipment. ADTRAN's products enable voice, data, video and Internet communications across a variety of network infrastructures. ADTRAN's solutions are currently in use by service providers, private enterprises, government organizations and millions of individual users worldwide. ADTRAN thus brings an expansive perspective to this proceeding, as well as an understanding of the importance to individuals, communities and our country of robust and ubiquitous broadband. ADTRAN has been a strong advocate in Commission proceedings to help spur broadband deployment.[2] Indeed, ADTRAN has itself launched a gigabit initiative that has far surpassed its goal of facilitating the deployment of 200 gigabit communities by the end of 2015, with over 350 gigabit communities deployed by the end of 2016, and that trend has continued.[3]

ADTRAN's experience with its Gigabit Communities initiative teaches that the Commission should view the rural healthcare subsidy program holistically, rather than in isolation. Such a broad perspective allows the Commission to take into account the positive

---

[2] *E.g.*, Comments of ADTRAN in GN Docket No. 15-191, filed September 15, 2015; Comments of ADTRAN in WC Docket No. 10-90 *et. al.*, filed August 8, 2014; Comments of ADTRAN in WC Docket No. 10-90, filed March 28, 2013; Comments of ADTRAN in WC Docket No. 10-90 *et. al.*, filed January 18, 2012; Comments of ADTRAN in WC Docket No. 10-90 *et. al.*, filed April 18, 2011.

[3] *See, Press Release*, "ADTRAN Sets the Nation's Communities on the Path to Gigabit Transformation -- Utilities, MSOs and land developers deliver Gigabit broadband to over 350 communities," http://phx.corporate-ir.net/phoenix.zhtml?c=67989&p=irol-newsArticle&ID=2178711; http://gigcommunities.net/adtran-reaches-200-gigabit-community-milestone/ ("More than 200 communities are now able to access next-generation gigabit broadband services as a result of ADTRAN's Enabling Communities, Connecting Lives program, ADTRAN announced August 11."); *Light Reading*, August 13, 2014, "Adtran Launches 'Gig Communities' Initiative," available at http://www.lightreading.com/broadband/fttx/adtran-launches-gig-communities-initiative/d/d-id/710330. *See also*, http://gigcommunities.net/.

externalities of subsidizing rural healthcare providers' broadband needs, including their important role (along with schools and libraries) as anchor tenants that can help make broadband deployment more affordable for all rural residents and businesses. Likewise, a holistic review would allow the Commission to take into consideration other potential funding sources, including other federal health care subsidy programs. Such complementary or substitute subsidies are particularly important, because the RHC amounts, and the Universal Service Fund ("USF") revenues more broadly, are finite.[4] Moreover, the USF revenues are currently based on a contribution system that is distortive, insofar as it now acts as a tax of nearly 20% assessed on a limited set of communications services.[5] With that overall guidance in mind, ADTRAN comments on some of the specific proposals in the *RHC NPRM*.

Advances in Medical Services Delivered Over Communications Services Warrant a Review of the Current Cap and Other Modifications to the RHC Program

The *RHC NPRM* asks whether there is merit to some commenters' argument that advances in telehealth and telemedicine warrant increasing the current $400 Million cap on the

---

[4] ADTRAN thus agrees with the Commission's observation in the *RHC NPRM* at ¶ 16:

> We recognize that any increase in Program expenditures must be paid for with contributions from ratepayers and that the Commission must carefully balance the need to meet universal service support demands against the effects of a greater contribution burden.

[5] *Public Notice*, DA 17-1203, released December 14, 2017 (announcing that the proposed universal service contribution factor for the first quarter of 2018 will be 19.5%). The Commission has been struggling with USF contribution reform for some time now. Indeed, the Commission has been reviewing proposals to modify the USF contribution system for over a decade. *Universal Service Contribution Methodology et al.*, WC Docket No. 06-122 *et al.*, Report and Order and Notice of Proposed Rulemaking, 21 FCC Rcd 7518 (2006). And it has been nearly six years since the Commission issued its last proposal for major reforms to the USF contribution methodology. *Universal Service Contribution Methodology et al.*, WC Docket No. 06-122 *et al.*, Further Notice of Proposed Rulemaking, 27 FCC Rcd 5357 (2012).

RHC fund.[6] ADTRAN agrees that broadband connectivity has become even more critical as remote healthcare has grown in importance and sophistication. Diagnoses, consultations and education for healthcare practitioners and patients in rural areas can greatly enhance patient outcomes, and all of those activities have grown more sophisticated since the Commission adopted the RHC program. In addition, the federal government has mandated the use of electronic health records, and sharing of that information can improve healthcare results. Finally, advances in robotics are making remote surgery possible. All of these activities require highly reliable, high-speed and low-latency broadband services connecting healthcare facilities in rural areas.

ADTRAN believes that the greater importance of broadband for health care providers in rural areas as a result of these new demands for telehealth and connectivity justifies revisiting the current $400 Million cap for the RHC Program. That cap is a somewhat arbitrary number selected back in 1997 as a "best guess" on needs.[7] The Commission now has a much better idea of the broadband communications requirements for healthcare providers – and an appreciation of the increased demand for the services that such broadband can support. However, as ADTRAN explained above, the Commission in revising that cap should also consider other potential sources of funding of rural healthcare broadband needs. Thus, ADTRAN does not recommend any specific value for the cap, but does urge the Commission to reevaluate the cap with the better information now available.

The *RHC NPRM* also seeks comment on the suggestion that the RHC Program cap, like

---

6 *RHC NPRM* at ¶ 16.

7 *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, (1997) at ¶¶ 704-709.

other USF programs, "should be adjusted annually for inflation."[8] ADTRAN certainly agrees that the RHC Program cap should be re-evaluated on a regular basis. However, any automatic adjustment based on a general measure of inflation may not accurately reflect the generally declining prices for broadband technologies. If the Commission can designate a broadband service cost index that accurately reflects the changes in broadband equipment costs and deployment/construction costs, then use of an inflation adjustment based on such a measure would make sense. But simply adjusting the RHC Program cap based on Gross Domestic Product Chain-type Price Index (GDP-CPI) or some other similar general measure of inflation would not necessarily be an accurate reflection of changed costs.

In addition, the *RHC NPRM* asks whether the RHC Program can be expanded to include patient home monitoring services.[9] ADTRAN has concerns with such a significant expansion of the RHC Program. As the *RHC NPRM* observes, such home monitoring services do not fit within the statutory limits on the program. Potentially, the Commission could consider expanding the Lifeline Program to subsidize service for low-income patients, although that has the potential to greatly increase the costs and administrative burdens of that USF program.

Alternatively, looking at these problems holistically, it may make more sense to work with other federal or state health care programs to make sure that they could cover the costs of subsidizing home monitoring services (in rural areas and urban areas), particularly insofar as such service can reduce the overall costs of health care by minimizing hospitalizations and re-admittance, as well as improving the efficiency and efficacy of the health care provided to

---

[8] *RHC NPRM* at ¶ 18.

[9] *RHC NPRM* at ¶ 78.

patients.[10] Moreover, the Commission's policies and subsidy programs to foster the deployment of wireline and wireless broadband networks in rural areas more broadly would also have the effect of supporting broadband services that can economically meet patient home monitoring needs. For all these reasons, ADTRAN is reluctant to advocate expansion of the RHC Program to include patient home monitoring services, although it does recognize the enormous value of these services.

Possible Changes to Administration of the RHC Program

The *RHC NPRM* also seeks comment on several potential changes to administration of the RHC Program to enhance efficiency and to minimize waste, fraud and abuse. ADTRAN supports the Commission's efforts to be good stewards of the rural health care subsidy program, given the finite resources of the USF program and the other beneficial sectors competing for those dollars – schools and libraries, Lifeline, wireline and wireless broadband deployment, and high cost telephone service providers.[11]

As one means of rooting out potential problems, the *RHC NPRM* proposes to use statistical outliers as a trigger for greater scrutiny.[12] ADTRAN agrees with this proposal. Such analyses are likely to reveal potential problems, and the resulting heightened scrutiny should be able to determine whether the relatively higher costs claimed by the rural health care provider are

---

[10] Such communications capabilities can also greatly help elder care. *E.g.*, https://mhealthintelligence.com/news/telehealth-gives-senior-centers-a-gateway-to-patient-engagement.

[11] *Cf., Connect America Fund*, Order on Reconsideration, FCC 18-5, released January 31, 2018 at ¶ 39 ("The Phase II auction is one of many universal service programs, and the Commission is responsible for making decisions that balance the objectives of all of the programs with the burdens on the end-user rate payers that fund the programs.").

[12] *RHC NPRM* at ¶¶ 42-48.

due to unique circumstances, or due to the health care provider not seeking out the most efficient solution to meet its legitimate broadband needs.

The *RHC NPRM* also seeks to address the potential problem of the current methodology basing the subsidy amounts on the differential between the rates that will be charged to rural health care provider and comparable urban rates.[13] At present, the rural health care provider is responsible for determining the "comparables." The Commission would modify the administration of the RHC Program so that USAC would be responsible for setting the urban rate used for determining the "comparable" to calculate the RHC subsidy amounts. ADTRAN believes such a change would improve the program. Rural health care providers lack the same level of expertise that USAC has with respect to knowledge of the telecommunications services market. Moreover, USAC can be completely objective in its assessments of the "comparables" -- in contrast, a rural health care provider could have the incentive to manipulate its analyses in order to increase the subsidies to which it would be entitled under the subsidy based on "comparables." ADTRAN thus supports this proposal.

In addition, the *RHC NPRM* seeks to improve the administration of the RHC Program by aligning the requirements more closely with other USF programs. The Commission proposes to apply the same standards for the use of consultants as it applies to other USF programs,[14] as well as applying the same restriction on the provision of gifts to the health care providers from service providers.[15] ADTRAN supports these proposals. There is no good reason to apply different standards to the different USF programs. The rules regarding gifts and consultants minimize the

---

[13] *RHC NPRM* at ¶¶ 53 and 69.

[14] *RHC NPRM* at ¶ 87.

[15] *RHC NPRM* at ¶ 89.

risk of RHCs not selecting a service provider based on which one would meet the health care provider's needs most efficiently and at the lowest price. This is a potential concern that applies to all USF programs, and the same standards for addressing this concern should apply to all of the USF-funded programs.

Likewise, the *RHC NPRM* proposes to align the "fair and open" competitive bidding standard across all of the USF programs in order to enhance transparency, increase administrative efficiency, and ensure that the benefits of the subsidy dollars are maximized.[16] ADTRAN also supports this proposal. The service providers and USAC are familiar with the rules, so applying the rules across the different programs would more easily allow a service provider to bid to provide service across all of the USF programs. The greater participation by more providers in turn should lead to a decrease in prices as a result of the increased competition. Moreover, health care providers, service providers, USAC and the FCC all benefit from there being clear rules of the road, rather than the risk of inconsistent precedent/standards for the various USF programs. And ADTRAN can conceive of no good reason to apply different "fair and open" bidding standards to the RHC program. This is another common sense improvement to the RHC Program that the Commission should adopt.

CONCLUSION

The Rural Health Care Program is an important means of insuring that health care providers in rural areas have access to critical telecommunications services for meeting telehealth and other communications needs. As explained in these comments, ADTRAN urges the Commission to take a holistic view is considering changes to that program so that the RHC Program complements other health care subsidy programs. In addition, ADTRAN supports the

[16] *RHC NPRM* at ¶ 100.

Commission's efforts to minimize any risks of waste, fraud or abuse in the program. ADTRAN thus urges the Commission to adopt the *RHC NPRM* proposals as detailed above. Such reforms will well serve the public interest.

Respectfully submitted,

ADTRAN, Inc.

By: ____/s/_____
Stephen L. Goodman
Stephen L. Goodman PLLC
532 North Pitt Street
Alexandria, VA 22314 6
(202) 607-6756
stephenlgoodman@aol.com

Dated: February 2, 2018